

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re	)	Chapter 11
	)	
W. R. Grace & Co. <u>et al.</u> <sup>1</sup> ;	)	Case No. 01-01139(JKF)
	)	Jointly Administered
Debtors.	)	

**Objection Deadline:**  
**August 3, 2004 at 4:00 p.m.**  
**Hearing date: To be scheduled only**  
**if objections are timely filed and served.**

**NOTICE OF FILING OF MONTHLY FEE APPLICATION**

To: (1) The Debtors; (2) Counsel to the Debtors; (3) The Office of the United States Trustee; (4) Counsel to the Official Committee of Asbestos Personal Injury Claimants; (5) Counsel to the Official Committee of Asbestos Property Damage Claimants; (6) Counsel to the Official Committee of Equity Holders; and (7) Counsel to the Debtors-in-Possession Lenders (8) the Fee Auditor:

Capstone Corporate Recovery, LLC ("Capstone"), financial advisors to the Official Committee of Unsecured Creditors (the "Advisors") of the above captioned debtor and debtors in possession in the above-captioned chapter 11 cases, filed and served the Second Interim Application of Capstone Corporate Recovery, LLC, Financial Advisors to the Official

<sup>1</sup> The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

Committee of Unsecured Creditors, for Allowance of Compensation and for Services Rendered and Reimbursement of Expenses Incurred for the period from March 1, 2004 through March 31, 2004, seeking compensation in the amount of \$109,132.40, reimbursement for actual and actual and necessary expenses in the amount of \$1,819.00.

Objections or responses to the Monthly Fee Application, if any, must be made in writing and filed with the United States Bankruptcy Court for the District of Delaware, Marine Midland Plaza, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801, on or before **August 3, 2004 at 4:00 p.m.**

At the same time you must also serve a copy of the objections or responses, if any, upon the following: (i) co-counsel for the Debtors, James H.M. Sprayregen, Esquire, Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601 (fax number 312-861-2200), and Laura Davis Jones, Esquire, Pachulski, Stang, Ziehl, Young & Jones P.C., 919 North Market Street, Suite 1600, P.O. Box 8705, Wilmington, DE 19899-8705 (Courier 19801) (fax number 302-652-4400); (ii) co-counsel to the Official Committee of Unsecured Creditors, Lewis Kruger, Esquire, Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038-4982 (fax number 212-806-6006), and Michael R. Lastowski, Esquire, Duane Morris LLP, 1100 N. Market Street, Suite 1200, Wilmington, Delaware 19801-1246 (fax number 302-657-4901); (iii) co-counsel to the Official Committee of Asbestos Property Damage Claimants, Scott L. Baena, Esquire, Blizin, Sumberg, Dunn, Baena, Price & Axelrod, First Union Financial Center, 200 South Biscayne Boulevard, Suite 2500, Miami, Florida 33131 (fax number 305-374-7593), and Michael B. Joseph, Esquire, Ferry & Joseph, P.A., 824 Market Street, Suite 904, P.O. Box 1351, Wilmington, Delaware 19899 (fax number 302-575-1714); (iv) co-counsel to the Official Committee of Asbestos Personal Injury Claimants, Elihu Inselbuch, Esquire, Caplin & Drysdale,

399 Park Avenue, 36th Floor, New York, New York 10022 (fax number 212-644-6755) and Mark Hurford, Esquire, Campbell & Levine, LLC, Chase Manhattan Centre, 15th Floor, 1201 Market Street, Suite 1500, Wilmington, Delaware 19801 (fax number 302-426-9947); (v) co-counsel to the DIP Lender, J. Douglas Bacon, Esquire, Latham & Watkins , Sears Tower, Suite 5800, Chicago, Illinois 60606 (fax number 312-993-9767), and Steven M. Yoder, Esquire, The Bayard Firm, 222 Delaware Avenue, Suite 900, P.O. 25130, Wilmington, Delaware 19899 (fax number 302-658-6395); (vi) counsel to the Official Committee of Equity Holders, Thomas Moers Mayer, Esquire, Kramer Levin Naftalis & Frankel LLP, 919 Third Avenue, New York, New York 10022 (fax number 212-715-8000); and (vii) the Office of the United States Trustee, Attn: Frank J. Perch, Esquire, 844 N. King Street, Wilmington, Delaware 19801

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(fax number 302-573-6497); and (viii) the Fee Auditor, to Warren H. Smith and Associates,  
Republic Center, 325 N. St. Paul, Suite 1275, Dallas, TX 75201, Attn: Stephen L. Bossay.

Dated: July 14, 2004  
Wilmington, DE

**RESPECTFULLY SUBMITTED,**

/s/ Michael R. Lastowski

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Co-Counsel for the Official Committee of  
Unsecured Creditors of W. R. Grace & Co., et al.

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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In re:

Chapter 11

W.R. GRACE & Co., et al.,

Case No. 01-01139 (JKF)  
(Jointly Administered)

Debtors

SECOND INTERIM APPLICATION OF CAPSTONE CORPORATE RECOVERY,  
LLC, FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES  
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED  
(FOR THE PERIOD FROM MARCH 1, 2004 THROUGH MARCH 31, 2004)

Name of Applicant: Capstone Corporate Recovery, LLC

Authorized to Provide Professional Services to: The Official Committee of  
Unsecured Creditors

Date of Retention: June 8, 2004 (nunc pro tunc  
to February 4, 2004)

Period for which compensation and reimbursement is sought: March 1, 2004 through  
March 31, 2004

Amount of Compensation sought  
as actual, reasonable and necessary (80% of \$136,415.50): \$109,132.40

Amount of Expense Reimbursement sought  
as actual, reasonable and necessary (100%): \$1,819.00

This is an: X interim \_\_\_\_ final application

This is the Second Interim Application filed by Capstone Corporate Recovery, LLC.  
("Capstone") was retained instead of FTI Consulting, Inc. (a/k/a FTI Policano & Manzo)  
("FTI") as financial advisors to the Official Committee of Unsecured Creditors, by order  
of this Court dated June 8, 2004, nunc pro tunc to February 4, 2004.

The total time expended for fee application preparation activities is approximately 18.3  
hours and corresponding compensation requested is approximately \$5,918.50. The time  
expended totaled approximately 2.1 hours spent on the preparation of Capstone's first  
monthly interim fee application and 16.2 hours preparing fee applications on behalf of  
FTI Consulting, Inc., including 1.0 hours spent by a paraprofessional assisting in  
preparation of the applications.

Disclosure for the current period is as follows:

SECOND INTERIM APPLICATION OF CAPSTONE CORPORATE RECOVERY,  
 LLC, FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED  
 CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES  
 RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED  
(FOR THE PERIOD FROM MARCH 1, 2004 THROUGH MARCH 31, 2004)

**ATTACHMENT A  
 TO FEE APPLICATION**

Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
June 10, 2004	February 4, 2004 through February 29, 2004	\$94,882.00	\$3,932.07	\$75,905.60
June 10, 2004	March 1, 2004 through March 31, 2004	\$136,415.50	\$1,819.00	\$109,132.40

**SECOND INTERIM APPLICATION OF CAPSTONE CORPORATE RECOVERY,  
LLC, FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES  
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED  
(FOR THE PERIOD FROM MARCH 1, 2004 THROUGH MARCH 31, 2004)**

**ATTACHMENT B  
TO FEE APPLICATION**

1. Summary of Fees by Professional
2. Summary of Fees by Task Code
3. Detailed Time Description by Task Code
4. Expense Detail

**W.R. Grace & Co.**  
**Capstone Corporate Recovery, LLC**  
**Summary of Fees by Professional**  
**For the Period 3/1/04 through 3/31/04**

<b>Professional</b>	<b>Position</b>	<b>Billing Rate</b>	<b>Hours</b>	<b>Fees</b>
E. Ordway	Member	\$495	35.70	\$17,671.50
S. Cunningham	Member	\$475	84.75	\$40,256.25
C. Troyer	Consultant	\$375	173.25	\$64,968.75
J. Rooney	Consultant	\$375	11.00	\$4,125.00
L. Hamilton	Consultant	\$335	20.90	\$7,001.50
M. Desalvio	Research	\$150	0.25	\$37.50
M. Hakoun	Research	\$150	15.20	\$2,280.00
N. Dacker	Paraprofessional	\$75	1.00	\$75.00
<b>For the Period 3/1/04 through 3/31/04</b>			<b>342.05</b>	<b>\$136,415.50</b>



**W.R. Grace & Co.**  
**Capstone Corporate Recovery, LLC**  
**Summary of Fees by Task Code**  
**For the Period 3/1/2004 through 3/31/2004**

<b>Task Code</b>	<b>Task Description</b>	<b>Hours</b>	<b>Fees</b>
02. Case Administration	During the Fee Application Period, the Applicant spent time performing administrative tasks necessary to provide the consulting services detailed in the Engagement Letter. Applicant strives to keep time charged to this category to a minimum.	0.75	\$112.50
04. Creditor Committee Matters	During the Fee Application period, the Applicant attended meetings to discuss various case issues with members of the Committee.	16.50	\$7,265.50
05. Employee Matters/KERP/Other	During the Fee Application period, the Applicant analyzed the "LTIP" motion.	3.10	\$1,278.50
07. Fee Applications & Invoices	During the Fee Application Period, the Applicant prepared Fee Applications for itself and on behalf of FTI Consulting, Inc.	18.30	\$5,918.50
08. Financial Analysis - Schedules & Statements	During the Fee Application Period, the Applicant continued to work on the 4th Quarter 2003 report prior to distribution to the Committee.	37.95	\$15,304.25
09. Financial Analysis - Business Plan	During the Fee Application Period, the Applicant analyzed the Debtors' FY 2004 Business Plan and prepared a report to the Committee detailing the Plan highlights.	119.95	\$48,999.25
11. Financial Analysis - Other	During the Fee Application period, the Applicant analyzed the court docket for pertinent case information.	16.65	\$4,670.25
15. Plan & Disclosure Statement	During the Fee Application Period, the Applicant analyzed Plan and Disclosure Statements for other bankrupt Companies facing asbestos claims.	20.50	\$7,412.50
18. Retention of Professionals	During the Fee Application Period, the Applicant prepared documents filed with the Court related to its retention by the Creditors Committee.	2.00	\$750.00
19. Tax Issues	During the Fee Application period, the Applicant read and analyzed information regarding the "Lonely Parent" rule, the Sealed Air settlement, and Company historical tax data.	8.20	\$3,895.00
20. Valuation	During the Fee Application period, the Applicant spent time updating a hypothetical recovery analysis for new tax assumptions and Sealed Air settlement impact.	80.55	\$33,310.25

<b>Task Code</b>	<b>Task Description</b>	<b>Hours</b>	<b>Fees</b>
21. Research	During the Fee Application Period, the Applicant spent time researching asbestos issues and peer companies.	1.00	\$150.00
26. Meetings with Debtors	During the Fee Application period, the Applicant met with Debtors and counsel to discuss tax issues, the Sealed Air settlement, and the FY 2004 Business Plan.	13.50	\$5,862.50
28. Special Case Issues	During the Fee Application period, the Applicant read and analyzed recent asbestos claims information.	3.10	\$1,486.50
<b>For the Period 3/1/2004 through 3/31/2004</b>		<b>342.05</b>	<b>\$136,415.50</b>

**W.R. Grace & Co.**  
**Capstone Corporate Recovery, LLC**  
**Detailed Time Description by Task Code**  
**For the Period 3/1/2004 through 3/31/2004**

<b>Date</b>	<b>Professional</b>	<b>Hours</b>	<b>Detailed Time Description</b>
<b>02. Case Administration</b>			
3/12/2004	M. Hakoun	0.75	Downloaded and distributed current fee applications filed in Bankruptcy court to team.
Subtotal		0.75	
<b>04. Creditor Committee Matters</b>			
3/2/2004	E. Ordway	0.30	Called Committee member to discuss 4th quarter results.
3/2/2004	L. Hamilton	0.20	Discussed March 31, 2004, meeting agenda with counsel.
3/5/2004	E. Ordway	0.20	Called chair to discuss LTIP motion.
3/16/2004	C. Troyer	1.50	Discussed the hypothetical recovery analysis with counsel.
3/24/2004	C. Troyer	1.25	Met with Committee chair to discuss hypothetical recovery analysis.
3/24/2004	E. Ordway	1.20	Met with chair to discuss valuation data.
3/24/2004	S. Cunningham	1.50	Met with Committee chair to review hypothetical recovery analysis and debt capacity analysis.
3/26/2004	C. Troyer	0.75	Discussed the business plan report, Committee meeting agenda and claims analysis issues with counsel.
3/30/2004	C. Troyer	3.50	Prepared materials for distribution to the Committee at the meeting on March 31, 2004.
3/31/2004	E. Ordway	0.60	Met with counsel and chair to discuss next steps.
3/31/2004	E. Ordway	5.50	Participated in meeting with Debtors and Committee regarding 2004 business plan, 2004 results and case status report.
Subtotal		16.50	
<b>05. Employee Matters/KERP/Other</b>			
3/4/2004	L. Hamilton	1.10	Read and analyzed "LTIP" motion.
3/5/2004	C. Troyer	0.50	Read and analyzed "LTIP" motion.

Date	Professional	Hours	Detailed Time Description
3/5/2004	E. Ordway	0.50	Read and analyzed LTIP motion.
3/12/2004	S. Cunningham	1.00	Reviewed "LTIP" information for prior periods.
Subtotal		3.10	

**07. Fee Applications & Invoices**

3/2/2004	L. Hamilton	1.10	Finalized January fee application on behalf of FTI Consulting.
3/2/2004	L. Hamilton	2.30	Prepared final fee application on behalf of FTI Consulting.
3/2/2004	E. Ordway	0.30	Prepared fee application.
3/4/2004	L. Hamilton	1.50	Prepared quarterly fee application for FTI Consulting, including reconciliation of fees and hours with FTI.
3/7/2004	L. Hamilton	2.40	Prepared quarterly fee application o behalf of FTI Consulting.
3/7/2004	L. Hamilton	1.00	Prepared final fee application on behalf of FTI Consulting.
3/9/2004	L. Hamilton	2.30	Prepared quarterly fee application o behalf of FTI Consulting.
3/9/2004	L. Hamilton	1.00	Prepared summary schedules for fee applications on behalf of FTI.
3/9/2004	L. Hamilton	1.20	Prepared final fee application on behalf of FTI Consulting.
3/10/2004	L. Hamilton	1.60	Prepared final fee application on behalf of FTI Consulting.
3/15/2004	L. Hamilton	0.50	Prepared final fee application on behalf of FTI Consulting.
3/23/2004	L. Hamilton	2.10	Prepared Capstone's February fee application.
3/31/2004	N. Backer	1.00	Processed data for inclusion in FTI Consulting's February Fee Application.
Subtotal		18.30	

**08. Financial Analysis - Schedules & Statements**

3/1/2004	L. Hamilton	1.10	Read and edited 4th quarter report.
3/1/2004	C. Troyer	3.50	Prepared and edited 4th quarter report to the Committee.
3/2/2004	C. Troyer	6.50	Prepared and edited 4th quarter report to the Committee.
3/3/2004	C. Troyer	8.00	Prepared and edited 4th quarter report to the Committee.
3/4/2004	C. Troyer	7.50	Prepared and edited 4th quarter report to the Committee.

Date	Professional	Hours	Detailed Time Description
3/5/2004	C. Troyer	1.00	Finalized 4th quarter report and sent to counsel.
3/8/2004	E. Ordway	2.40	Prepared/edited report on 4th quarter.
3/8/2004	S. Cunningham	3.75	Prepared analysis on Q4 2003 operating results.
3/9/2004	E. Ordway	1.70	Prepared/edited report.
3/9/2004	S. Cunningham	2.50	Prepared analysis on Q4 2003 operating results.
Subtotal		37.95	

#### 09. Financial Analysis - Business Plan

3/5/2004	C. Troyer	5.00	Analyzed 2004 business plan.
3/10/2004	S. Cunningham	2.25	Prepared analysis of FY 2004 business plan by division.
3/12/2004	C. Troyer	3.00	Analyzed 2004 business plan.
3/15/2004	S. Cunningham	3.50	Prepared analysis of FY 2004 business plan.
3/16/2004	E. Ordway	1.80	Continued preparation of 2004 business plan analysis.
3/16/2004	C. Troyer	7.00	Read and analyzed the 2004 business plan.
3/16/2004	S. Cunningham	2.45	Prepared analysis of FY 2004 business plan.
3/17/2004	C. Troyer	9.00	Read and analyzed the 2004 business plan.
3/18/2004	S. Cunningham	2.50	Prepared analysis of FY 2004 business plan.
3/18/2004	C. Troyer	9.00	Read and analyzed the 2004 business plan.
3/18/2004	S. Cunningham	2.00	Prepared analysis of FY 2004 business plan.
3/19/2004	S. Cunningham	2.50	Prepared analysis of FY 2004 business plan.
3/19/2004	E. Ordway	2.30	Analyzed competitor financial information in connection with peer group analysis.
3/19/2004	C. Troyer	8.00	Read and analyzed the 2004 business plan.
3/21/2004	C. Troyer	5.00	Read and analyzed the 2004 business plan.
3/22/2004	S. Cunningham	1.50	Prepared analysis of FY 2004 business plan.
3/22/2004	E. Ordway	1.10	Continued to prepare report to Committee regarding 2004 business plan.

Date	Professional	Hours	Detailed Time Description
3/22/2004	C. Troyer	9.00	Drafted the report to the Committee on the Debtors' 2004 business plan.
3/23/2004	E. Ordway	2.40	Prepared analysis of competitor data to include in business plan report.
3/23/2004	C. Troyer	6.50	Drafted report to the Committee on the Debtors' 2004 business plan.
3/24/2004	S. Cunningham	3.00	Prepared analysis of FY 2004 business plan.
3/24/2004	C. Troyer	5.00	Updated report to the Committee on the debtors' 2004 business plan.
3/26/2004	E. Ordway	2.80	Prepared/edited business plan report.
3/26/2004	C. Troyer	7.25	Updated report to the Committee on the 2004 business plan.
3/29/2004	C. Troyer	3.00	Updated report to the Committee on the Company's 2004 business plan.
3/30/2004	C. Troyer	3.50	Finalized report to the Committee on the 2004 business plan.
3/30/2004	J. Rooney	1.60	Read and analyzed 2004 business plan.
3/30/2004	S. Cunningham	8.00	Prepared analysis of FY 2004 business plan.
Subtotal		119.95	

#### 11. Financial Analysis - Other

3/2/2004	M. Hakoun	1.20	Prepared summary of various economic forecast data, reviewed with team.
3/2/2004	L. Hamilton	0.50	Prepared draft agenda for March 31, 2004 meeting with Debtors and Committee.
3/3/2004	E. Ordway	0.20	Reviewed meeting agenda prepared by staff.
3/3/2004	L. Hamilton	1.00	Prepared work plan.
3/4/2004	C. Troyer	0.50	Drafted agenda for 3/31/04 Committee meeting and discussed with counsel.
3/5/2004	M. Hakoun	1.50	Read, analyzed and discussed changes and increases in reserves per 10K with team.
3/11/2004	M. Hakoun	3.25	Read and analyzed dynamics of peer asbestos POR's and Disclosure Statements using same to update table of recent activity with regards to asbestos claimants.
3/12/2004	E. Ordway	0.30	Read and analyzed various pleadings.
3/12/2004	M. Hakoun	2.75	Compared asbestos reserve and insurance coverage for peer bankrupt asbestos companies.

Date	Professional	Hours	Detailed Time Description
3/29/2004	E. Ordway	2.10	Prepared for meeting with Committee and Debtors by reviewing report, counsel memorandum, Navigant reports and agenda.
3/29/2004	C. Troyer	1.25	Read and analyzed a report on companies that filed for chapter 11 bankruptcy in 2000 and 2001
3/30/2004	J. Rooney	0.40	Reviewed and analyzed recent motions filed.
3/30/2004	C. Troyer	0.20	Discussed claims analysis and COLI-related question with the Debtors.
3/30/2004	E. Ordway	0.80	Prepared near-term work plan for discussion with Committee.
3/30/2004	E. Ordway	0.30	Prepared summary of questions for Debtors.
3/30/2004	C. Troyer	0.40	Read and analyzed an issues memo prepared by counsel.
Subtotal		16.65	

#### 15. Plan & Disclosure Statement

3/8/2004	M. Hakoun	2.25	Gathered information on peer asbestos bankruptcies, most recent POR & Disclosure Statements, analyzed claims recovery for creditors.
3/10/2004	M. Hakoun	2.75	Researched peer group bankruptcies, gathered updated POR's Disclosures and creditors motions.
3/15/2004	J. Rooney	3.50	Analyzed Plan and Disclosure documents for Armstrong, Babcock and Wilcox, Halliburton and Federal Mogul.
3/16/2004	J. Rooney	3.50	Analyzed Plan and Disclosure documents for Armstrong, Babcock and Wilcox, Halliburton and Federal Mogul.
3/17/2004	S. Cunningham	1.50	Prepared analysis on information pertaining to other asbestos PORs.
3/18/2004	S. Cunningham	3.50	Prepared analysis on information pertaining to other asbestos PORs.
3/22/2004	S. Cunningham	3.50	Prepared update as to status of other asbestos PORs and range of asbestos liability
Subtotal		20.50	

#### 18. Retention of Professionals

3/25/2004	J. Rooney	0.90	Prepared revised draft Confidentiality Agreement.
3/26/2004	J. Rooney	1.10	Prepared revised draft Confidentiality Agreement.
Subtotal		2.00	

#### 19. Tax Issues

Date	Professional	Hours	Detailed Time Description
3/1/2004	S. Cunningham	3.50	Analyzed impact of "Lonely Parent" rule on tax cash required.
3/5/2004	S. Cunningham	1.25	Analyzed 1993 -1996 open tax issues.
3/5/2004	S. Cunningham	2.25	Prepared analysis of "Lonely Parent" rule.
3/19/2004	S. Cunningham	1.20	Discussed "Lonely Parent" issues with tax advisors.
Subtotal		8.20	

#### 20. Valuation

3/8/2004	C. Troyer	8.50	Updated hypothetical recovery analysis.
3/9/2004	C. Troyer	8.50	Updated hypothetical recovery analysis, including information pertaining to the key terms of other asbestos-related bankruptcies.
3/10/2004	C. Troyer	8.00	Analyzed debt capacity and hypothetical forms of recovery for a range of asbestos claim levels.
3/11/2004	C. Troyer	6.00	Updated hypothetical recovery analysis report to the Committee.
3/11/2004	S. Cunningham	2.00	Prepared hypothetical recovery scenarios.
3/11/2004	S. Cunningham	2.25	Analyzed Debtors' post emergence Debt Capacity.
3/12/2004	C. Troyer	5.00	Drafted hypothetical recovery analysis report to the Committee.
3/12/2004	E. Ordway	1.60	Prepared/edited hypothetical recovery analysis.
3/12/2004	S. Cunningham	2.00	Prepared hypothetical recovery scenarios.
3/15/2004	S. Cunningham	2.25	Edited draft report on hypothetical recovery.
3/15/2004	C. Troyer	6.00	Updated hypothetical recovery analysis.
3/16/2004	S. Cunningham	1.80	Discussed hypothetical recovery scenario with counsel.
3/17/2004	S. Cunningham	1.50	Updated recovery analysis with respect to tax issues.
3/18/2004	E. Ordway	3.10	Prepared/updated/edited recovery analysis to consider updated business plan data.
3/19/2004	S. Cunningham	1.80	Updated hypothetical recovery for the impact of the Sealed Air settlement.
3/22/2004	S. Cunningham	1.00	Prepared analysis of industry multiples for valuation purposes.
3/23/2004	C. Troyer	1.50	Updated the hypothetical recovery analysis.



Date	Professional	Hours	Detailed Time Description
3/23/2004	S. Cunningham	2.80	Updated hypothetical recovery analysis.
3/23/2004	S. Cunningham	2.70	Updated hypothetical recovery analysis.
3/23/2004	S. Cunningham	2.00	Updated hypothetical recovery analysis.
3/24/2004	E. Ordway	1.50	Prepared for meeting with chair to review hypothetical valuation data.
3/24/2004	C. Troyer	1.25	Updated hypothetical recovery analysis in preparation for meeting with Committee chair.
3/25/2004	S. Cunningham	1.50	Reviewed hypothetical recovery analysis.
3/29/2004	C. Troyer	3.50	Updated hypothetical recovery analysis.
3/29/2004	C. Troyer	0.50	Researched transaction economics of the Lyondell-Millennium acquisition for valuation purposes.
3/31/2004	C. Troyer	2.00	Updated hypothetical recovery analysis to include additional items discussed at the Committee meeting.

Subtotal 80.55

#### 21. Research

3/9/2004	M. Hakoun	0.75	Researched asbestos bankruptcy reports for C. Troyer.
3/16/2004	M. Desalvio	0.25	Located and distributed Morgan Stanley analyst reports on Halliburton.

Subtotal 1.00

#### 26. Meetings with Debtors

3/31/2004	S. Cunningham	6.00	Participated in Company FY 2004 Plan/Issue discussion.
3/31/2004	C. Troyer	5.50	Participate in Committee meeting with Debtors to discuss a range of issues, including the 2004 business plan.
3/31/2004	S. Cunningham	2.00	Participated in Committee meetings prior to and after Company presentation of FY 2004 Plan.

Subtotal 13.50

#### 28. Special Case Issues

3/3/2004	E. Ordway	0.30	Reviewed Navigant asbestos update memo.
3/11/2004	E. Ordway	0.40	Read and analyzed Navigant report regarding AFL-CIO report to Congress.

Date	Professional	Hours	Detailed Time Description
3/26/2004	E. Ordway	1.10	Read counsel correspondence regarding Armstrong Writ of Mandamus and briefs filed in other asbestos cases.
3/26/2004	E. Ordway	0.90	Read and analyzed Navigant report on asbestos.
3/30/2004	C. Troyer	0.40	Read memo prepared by Navigant Consulting regarding the status of asbestos-related legislation
Subtotal		3.10	
Total Hours		342.05	

**W.R. Grace & Co.**  
**Capstone Corporate Recovery, LLC**  
**Expense Detail**  
**For the Period 3/1/04 through 3/31/04**

<b>Expense Date</b>	<b>Professional</b>	<b>Amount</b>
<b>Parking/Tolls/Mileage</b>		
3/24/2004	E. Ordway	\$47.00
3/24/2004	C. Troyer	\$43.00
3/30/2004	E. Ordway	\$33.50
3/31/2004	S. Cunningham	\$27.50
3/31/2004	S. Cunningham	\$15.00
3/31/2004	S. Cunningham	\$6.00
<b>Subtotal - Parking/Tolls/Mileage</b>		<b>\$172.00</b>
<b>Postage &amp; Over Night Deliveries</b>		
3/1/2004	M. Hakoun	\$19.17
<b>Subtotal - Postage &amp; Over Night Deliveries</b>		<b>\$19.17</b>
<b>Purchased Services</b>		
3/30/2004	C. Troyer	\$713.38
<b>Subtotal - Purchased Services</b>		<b>\$713.38</b>
<b>Research</b>		
3/31/2004	Capstone Allocation	\$105.55
3/31/2004	Capstone Allocation	\$100.00
<b>Subtotal - Research</b>		<b>\$205.55</b>
<b>Supplies</b>		
3/3/2004	T. Sell	\$120.49
<b>Subtotal - Supplies</b>		<b>\$120.49</b>
<b>Telephone</b>		
3/2/2004	E. Ordway	\$10.20

Expense Date	Professional	Amount
3/29/2004	S. Cunningham	\$33.00
3/31/2004	Capstone Allocation	\$545.21
Subtotal - Telephone		\$588.41
For the Period 3/1/04 through 3/31/04		\$1,819.00